



CITY COUNCIL

CITY AND COUNTY OF HONOLULU

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COUNCILMEMBER DJOU: LIQUOR COMMISSION ASKS FOR FEE INCREASE WITHOUT AUTHORITY

It may soon cost more to drink a beer. Earlier this week, all 1,300 liquor licensees on Oahu received a notice from the Honolulu Liquor Commission that the agency seeks to increase their liquor fees. Some licensees would see their fees increase by almost 700% with liquor licensees such as nude dancing cabarets, nightclubs, and wholesalers bearing the largest fee increases. The liquor commission asked licensees to pay the higher fees even though the Honolulu City Council has never authorized such an increase.

Today, the Budget Committee deferred action on giving the Honolulu Liquor Commission authority to increase liquor license fees. Under the tenure of its current managers, the Honolulu Liquor Commission has been the subject of eight criminal corruption convictions, an ethical citation, a critical audit, and is still under an FBI probe for on-going criminal misconduct.

Councilmember Charles K. Djou (Waikiki, East Honolulu) stated, "I cannot think of a single government agency in Hawaii less deserving of increased funding than the Honolulu Liquor Commission. Until the liquor commission dismisses its senior managers who created this mess, absolutely no additional money should be given to this agency," stated Councilmember Charles K. Djou (Waikiki, East Honolulu). "The Chief Administrator Wally Weatherwax and the Chief Investigator John Carroll must be dismissed before the City Council even considers increasing liquor commission funding."

Djou added, "I am troubled that the liquor commission decided to frighten liquor licensees with threats of higher fees without any approval or authorization by the City Council."

Resolution 05-034 proposes to increase liquor license fees by 25% to help expand the Honolulu Liquor Commission's budget from a little over \$3 million to nearly \$4 million per year. Earlier this month the City Auditor's Office, pursuant to a resolution authored by Councilmember Djou, completed its audit of the liquor commission, calling the agency's management "inadequate" and "ineffective."

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